GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:450
ANSWERED ON:27.07.2006
MISUSE OF FUNDS BY OIL COMPANIES
Annayyagari Shri Sai Prathap

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Comptroller and Auditor General (CAG) has pointed out glaring misuse of funds and irregularities in accounts by the State owned oil companies in the last ten financial years as reported in `The Hindustan Times` (Delhi edition) of June 22,2006;

(b) if so, the facts thereof; and

(c) the action taken by the Government to check misuse of funds by the State owned oil companies?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (c): The Comptroller and Auditor General of India (CAG) conducts annual audit of all Ministries/Departments of the Government as well as of the Public Sector Undertakings. In its Reports pertaining to the last ten years, the CAG in his annual audit observations has pointed out certain instances of infructuous project expenditures, idling of assets, delays in recovery of dues, inadequate contract management, etc., by the State-owned Oil Companies. Action has been taken by the Ministry as well as by the State-owned Oil Companies to settle these audit observations in consultation with the CAG. Based on these audit observations, the State-owned Oil Companies also take up remedial and corrective measures to bring about improvement in the existing systems and procedures as well as action against erring personnel, wherever considered necessary.